

ANNUAL FINANCIAL REPORT

CENTRAL VALLEY PROJECT IMPROVEMENT ACT Public Law 102-575, Title XXXIV

Revenues and Expenditures for the Periods:

October 1, 2002 - September 30, 2003 (Actual)

October 1, 2004 - September 30, 2005 (Projected)

March 2004

**Bureau of Reclamation
United States Department of the Interior**

CENTRAL VALLEY PROJECT IMPROVEMENT ACT ANNUAL FINANCIAL REPORT

SUMMARY

Subsection 3407(f) of the Central Valley Project Improvement Act (Title XXXIV of Public Law 102-575) provides for an annual financial report to the Senate Committee on Energy and Natural Resources, the Committee on Appropriations of the Senate, the House Committee on Resources, and the Committee on Appropriations of the House of Representatives. The annual financial report is to describe all Restoration Fund revenues and expenditures during the prior fiscal year and projected Restoration Fund revenues and expenditures during the next upcoming fiscal year.

This report is the eleventh annual financial report prepared pursuant to Subsection 3407(f) of the Central Valley Project Improvement Act (CVPIA) and covers fiscal year 2003 actual revenues and expenditures and fiscal year 2005 projected revenues and expenditures. For purposes of this report revenues are actual collections processed, and expenditures are obligations incurred. Schedules 1 through 4 provide summary information on fiscal year 2003 Restoration Fund revenues and expenditures. Schedules 5 through 8 provide summary information on projected fiscal year 2005 Restoration Fund revenues and expenditures.

This report does not include the Water and Related Resources Appropriations Account or State of California cost share information. These two funding sources are in addition to the Restoration Fund, and with the Restoration Fund compose the annual CVPIA program. Each funding source is considered in allocating the Restoration Fund to individual CVPIA activities, and CVPIA funding is in turn coordinated with the CALFED Bay-Delta Program to best ensure compatibility with and to complement CALFED initiatives. Overlapping CVPIA and CALFED areas are integrated as a way of using the strengths of both programs to maximize performance and meet program objectives. It is anticipated that these processes will result in a broad-based ecosystem management strategy wherein all parties join together in a partnership in their efforts toward mitigation and restoration of the environment.

Fiscal Year 2003

Fiscal year 2003 Restoration Fund revenues totaled \$47,864,401. Fiscal year 2003 Restoration Fund expenditures were \$48,897,103. The fiscal year 2003 Restoration Fund balance, \$13,868,922 (fiscal year 2002 carryover \$14,901,624 - fiscal year 2003 expenditures exceeding revenues by \$1,032,702 was carried over into the fiscal year 2004 program. Schedule 1 summarizes fiscal year 2003 Restoration Fund revenues and expenditures, including the carryover from fiscal year 2002, and the Restoration Fund balance at September 30, 2003. Schedules 2 and 3 provide detailed information on fiscal year 2003 revenues, including power payments, and water (irrigation, and municipal and industrial) payments by water service area. Schedule 4 lists the fish and wildlife restoration activities funded during fiscal year 2003 and the amounts attributable to each activity.

Fiscal Year 2004

Fiscal year 2004 Restoration Fund revenues were \$38,281,814. Expenditures for this period were approximately equal to the revenues received. Detailed fiscal year 2004 information will be in the next annual financial report.

Fiscal Year 2005

For fiscal year 2005, Restoration Fund revenues are projected to be \$39,600,000. Schedule 5 shows the projected revenue sources for fiscal year 2005 by authorizing subsection of the CVPIA.

Revenues:

Friant Division Surcharges	\$ 8,000,000
Tiered Water Revenues	300,000
Transfer Water Revenues	25,000
M&I Surcharges	1,000
Restoration Payments	<u>46,369,000</u>

Total Projected Restoration Fund	
Revenues for Fiscal Year 2005	<u>\$54,695,000</u>

The Restoration Fund revenues attributable to Project Water are projected by applying the applicable Restoration Fund rate to the projected fiscal year 2005 Project Water deliveries that will be sold. Project Water delivery projections are updated annually under the Project's Irrigation and M&I water ratesetting policies. These projections serve as the primary basis for projecting Restoration Fund revenues.

The Friant Division Surcharge rate for fiscal year 2005 remains at \$7 per acre-foot. Tiered Water rates specified in the contracts for delivered Project Water are based on percentages of contractor's total Project Water entitlements and the difference between full cost and cost of service rates. Transfer Water Revenues are based on projected acre-feet subject times a projected difference between full cost and cost of service rates. The M&I Surcharge rate equates to a 1992 Consumer Price Index Urban (CPIU) indexed rate of \$25 per acre-foot of Project Water subject to this charge. The Restoration Payment rates for Project Water equate to a 1992 CPIU indexed rate of \$6 per acre-foot for irrigation water and \$12 per acre-foot for M&I water. These CPIU indexed rates are adjusted annually at the start of each fiscal year. No other Restoration Fund revenues are projected for fiscal year 2005.

The fiscal year 2005 Restoration Fund appropriation of \$54,695,000 is shown in schedule 8. The schedule lists the fish and wildlife restoration activities projected to be funded during the fiscal year and the amounts attributable to each activity.

**Central Valley Project Improvement Act
Restoration Fund Revenues and Expenditures (Obligations)
for Fiscal Year 2003**

Revenues	<u>Fiscal Year 2003</u>
<u>Non-Discretionary Revenues</u>	
Pre-Renewal Charges (Subsection 3404(c)(3))	\$0
Tiered Water Revenues (Subsection 3405(d))	231,676
Transfer Water Revenues (Subsection 3405(a)(1)(B))	53,958
Friant Division Surcharges (Subsection 3406(c)(1)) -- See Schedule 2	7,501,457
M&I Surcharges (Subsection 3407(d)(2)(A))	<u>1,176</u>
Subtotal - Non-Discretionary Revenues	\$7,788,267
<u>Discretionary Revenues</u>	
Restoration Payments (Subsection 3407(c) & (d)) -- See Schedule 3	<u>40,076,134</u>
Total Restoration Fund Revenues	\$47,864,401
<u>Expenditures /1</u>	
Expenditures (Subsections 3406 & 3408) -- See Schedule 4	<u>48,897,103</u>
Excess of Restoration Fund Revenues over Expenditures for Fiscal Year 2003	(\$1,032,702)
<u>Contributions</u>	
Non-Federal Contributions (Subsection 3407(a))	0
Expenditure of Non-Federal Contributions	0
Restoration Fund Balance at September 30, 2002	<u>14,901,624</u>
Restoration Fund Balance at September 30, 2003 /2	<u><u>\$13,868,922</u></u>
/1 Obligations.	
/2 Restoration Fund Balance results from FY 1999 and FY 2000 when Congress directed collections that exceeded appropriations.	

**Central Valley Project Improvement Act
Friant Division Surcharges (Subsection 3406(c)(1))
for Fiscal Year 2003**

WATER SALES REVENUES (\$)

<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FRIANT-KERN CANAL	\$5,953,554	\$141,974	\$6,095,528
CROSS VALLEY CANAL	0	0	0
MADERA CANAL	1,404,991	0	1,404,991
FRIANT DAM	0	938	938
MENDOTA POOL	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$7,358,545</u>	<u>\$142,912</u>	<u>\$7,501,457</u>

**Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 2003**

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FOLSOM			
Folsom Dam & Reservoir	\$0	\$684,012	\$684,012
Folsom-South Canal	0	70,412	70,412
Sugar Pine Dam & Reservoir	0	13,741	13,741
Sly Park Dam & Reservoir	96,042	271,913	367,955
Total Folsom	96,042	1,040,078	1,136,120
TRACY			
Contra Costa Canal	1,663	1,304,742	1,306,405
Delta-Mendota Canal	1,711,346	259,312	1,970,658
San Luis Canal-Tracy	1,377,295	13,540	1,390,835
New Melones Dam & Reservoir	(137,396)	0	(137,396)
San Felipe Unit	314,583	1,471,239	1,785,822
Total Tracy	3,267,491	3,048,833	6,316,324
FRESNO			
San Luis Canal-Fresno	6,504,753	235,087	6,739,840
Friant Dam	557	1,318	1,875
Friant-Kern Canal	6,568,191	321,479	6,889,670
Cross Valley Canal	122,954	0	122,954
Madera Canal	1,538,382	0	1,538,382
Delta-Mendota Pool	395,772	0	395,772
Buchanan Unit	184,560	0	184,560
Hidden Unit	92,280	0	92,280
Total Fresno	15,407,449	557,884	15,965,333
SHASTA			
Clear Creek Unit	1,061	28,313	29,374
Shasta Dam & Reservoir	2,301	30,490	32,791
Spring Creek Conduit	5,242	68,062	73,304
Cow Creek Unit	10,412	37,677	48,089
Toyon Pipeline	0	46,235	46,235
Sacramento River - Shasta	7,450	7,715	15,165
Total Shasta	26,466	218,492	244,958

Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 2003

WATER SALES REVENUES (\$)			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
WILLOWS			
Corning Canal	0	0	0
Tehama-Colusa Canal	0	2,035	2,035
Black Butte Dam & Reservoir	0	1,739	1,739
Colusa Basin Drain	0	0	0
Feather River	66,255	0	66,255
Sacramento River - Willows	513,789	19,966	533,755
Total Willows	580,044	23,740	603,784
Restoration Payments			
Irrigation and M&I	<u>\$19,377,492</u>	<u>\$4,889,027</u>	<u>\$24,266,519</u>

Restoration Payment - Irrigation	\$19,377,492
Restoration Payment - M&I	4,889,027
Restoration Payment - Power	15,809,615
Total	<u>\$40,076,134</u>

**Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
Projected versus Actual
for Fiscal Year 2003**

WATER SALES REVENUES (\$)

<u>SERVICE AREA</u>	<u>PROJECTED</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
Black Butte Dam & Reservoir	\$1,805	\$1,739	(\$66)
Buchanan Unit	183,552	184,560	1,008
Clear Creek Unit	23,831	29,374	5,543
Colusa Basin Drain	50,201	0	(50,201)
Contra Costa Canal	1,359,837	1,306,405	(53,432)
Corning Canal	0	0	0
Cow Creek Unit	72,059	48,089	(23,970)
Cross Valley Canal	218,595	122,954	(95,641)
Delta-Mendota Canal	1,751,055	1,970,658	219,603
Delta-Mendota Pool	385,949	395,772	9,823
Feather River	75,631	66,255	(9,376)
Folsom Dam & Reservoir	649,927	684,012	34,085
Folsom-South Canal	158,130	70,412	(87,718)
Friant Dam	2,892	1,875	(1,017)
Friant-Kern Canal	5,356,042	6,889,670	1,533,628
Hidden Unit	183,552	92,280	(91,272)
Madera Canal	1,057,787	1,538,382	480,595
New Melones Dam & Reservoir	0	(137,396)	(137,396)
Sacramento River - Shasta	169,159	15,165	(153,994)
Sacramento River - Willows	1,803,228	533,755	(1,269,473)
San Felipe Unit	1,635,793	1,785,822	150,029
San Luis Canal-Fresno	6,628,425	6,739,840	111,415
San Luis Canal-Tracy	957,415	1,390,835	433,420
Shasta Dam & Reservoir	42,446	32,791	(9,655)
Sly Park Dam & Reservoir	310,516	367,955	57,439
Spring Creek Conduit	81,742	73,304	(8,438)
Sugar Pine Dam & Reservoir	108,601	13,741	(94,860)
Tehama-Colusa Canal	1,728	2,035	307
Toyon Pipeline	37,521	46,235	8,714
Restoration Payments - Water	\$23,307,419	\$24,266,519	\$959,100
Restoration Payments - Water (Irrigation and M&I)		\$24,266,519	
Restoration Payment - Power		15,809,615	
Total		\$40,076,134	

**Central Valley Project Improvement Act
Expenditures (Obligations) for Fiscal Year 2003**

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>	<u>SUBSECTION</u>	<u>AMOUNT (\$)</u>
Habitat Restoration, Improvement, & Acquisition		
Anadromous Fish Program	3406(b)(1)	4,996,906
Other CVP Impacts	3406(b)(1) Other	4,394,141
Dedicated Project Yield	3406(b)(2)	893,179
Water Acquisition	3406(b)(3)	11,969,489
Evaluate Project Operations	3406(b)(9)	55,141
Refuge Wheeling	3406(d)(5)	14,237,279
CVPIA Supporting Investigations	3406(e)	(11,034)
Ecosystem/Water Operations Study	3406(g)	3,916,342
Land Retirement	3408(h)	2,950,275
Other Fish and Wildlife Restoration Activities		
Tracy Pumping Plant & Test Fish Facility	3406(b)(4)	2,428,837
Research Pumping Plant Evaluation	3406(b)(10)	(9,007)
Clear Creek Restoration	3406(b)(12)	493,289
Spawning Gravel	3406(b)(13)	525,093
CVP Project Assessment/Monitoring Program	3406(b)(16)	495,954
GCID - Hamilton City Pump	3406(b)(20)	(2,000,000)
Unscreened Diversions	3406(b)(21)	3,561,219
Total Expenditures (Obligations) Fiscal Year 2003		<u>\$48,897,103</u>

**Central Valley Project Improvement Act
Expenditures (Obligations)
Projected versus Actual
for Fiscal Year 2003**

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>		<u>PROJECTED</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
Habitat Restoration, Improvement, & Acquisition				
Anadromous Fish Program	3406(b)(1)	\$5,000,000	\$4,996,906	(\$3,094)
Other CVP Impacts	3406(b)(1) Other	3,000,000	4,394,141	1,394,141
Dedicated Project Yield	3406(b)(2)	1,000,000	893,179	(106,821)
Water Acquisition	3406(b)(3)	6,944,000	11,969,489	5,025,489
Evaluate Project Operations	3406(b)(9)	50,000	55,141	5,141
Refuge Wheeling	3406(d)(5)	13,100,000	14,237,279	1,137,279
CVPIA Supporting Investigations	3406(e)	0	(11,034)	(11,034)
Ecosystem/Water Operations Study	3406(g)	6,277,000	3,916,342	(2,360,658)
Land Retirement	3408(h)	2,600,000	2,950,275	350,275
Other Fish and Wildlife Restoration Activities				
Tracy Pumping Plant & Test Fish Facility	3406(b)(4)	5,000,000	2,428,837	(2,571,163)
Research Pumping Plant Evaluation	3406(b)(10)	0	(9,007)	(9,007)
Clear Creek Restoration	3406(b)(12)	500,000	493,289	(6,711)
Spawning Gravel	3406(b)(13)	500,000	525,093	25,093
CVP Project Assessment/Monitoring Program	3406(b)(16)	500,000	495,954	(4,046)
GCID - Hamilton City Pump	3406(b)(20)	0	(2,000,000)	(2,000,000)
Unscreened Diversions	3406(b)(21)	4,433,000	3,561,219	(871,781)
Total Expenditures (Obligations) Fiscal Year 2003		\$48,904,000	\$48,897,103	(\$6,897)

**Central Valley Project Improvement Act
Projected Restoration Fund Revenues and Expenditures (Obligations)
for Fiscal Year 2005**

Revenues	<u>Fiscal Year 2005</u>
Pre-Renewal Charges (Subsection 3404(c)(3))	\$0 /1
Tiered Water Revenues (Subsection 3405(d))	300,000
Transfer Water Revenues (Subsection 3405(a)(1)(B))	25,000
Friant Division Surcharges (Subsection 3406(c)(1)) -- See Schedule 6	8,000,000
M&I Surcharges (Subsection 3407(d)(2)(A))	1,000 /2
Restoration Payments (Subsection 3407(c) & (d)) -- See Schedule 7	<u>46,369,000</u>
Total Projected Restoration Fund Revenues	<u>\$54,695,000</u>

Expenditures /3

Expenditures (Subsections 3406 & 3408) -- See Schedule 8	54,695,000
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Contributions

Non-Federal Contributions (Subsection 3407(a))	<u>0</u> /4
FY 2005 Projected Revenues over (under) Expenditures	\$0
Restoration Fund Balance projected at September 30, 2004	<u>13,868,922</u>
Restoration Fund Balance Projected at September 30, 2005	<u><u>\$13,868,922</u></u>

/1 Pre-Renewal Charges of less than \$1,000 from one contractor (Elk Creek CSD) are expected.

/2 M&I Surcharges have been about \$1,000 per year from one contractor (U.S. Forest Service).
M&I Surcharges are expected to continue at this rate.

/3 Obligations.

/4 Non-Federal Contributions (Subsection 3407(a)) are not projected until a historic basis for projecting such receipts is available.

**Central Valley Project Improvement Act
Projected Friant Division Surcharges (Subsection 3406(c)(1))
for Fiscal Year 2005**

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FRIANT-KERN CANAL	\$6,619,152	\$429,443	\$7,048,595
MADERA CANAL	949,788	0	949,788
FRIANT DAM	0	1,617	1,617
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$7,568,940</u>	<u>\$431,060</u>	<u>\$8,000,000</u>

Central Valley Project Improvement Act
Projected Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 2005

WATER SALES REVENUES (\$)			
SERVICE AREA	IRRIGATION	M&I	TOTAL
FOLSOM			
Folsom Dam & Reservoir	\$66,748	\$600,850	\$667,598
Folsom-South Canal	0	313,457	313,457
Sugar Pine Dam & Reservoir	1,422	14,794	16,216
Sly Park Dam & Reservoir	36,281	259,907	296,188
Total Folsom	104,451	1,189,008	1,293,459
TRACY			
Contra Costa Canal	2,567	1,556,852	1,559,419
Delta-Mendota Canal	1,458,240	126,287	1,584,527
San Luis Canal-Tracy	951,364	6,370	957,734
New Melones Dam & Reservoir	0	0	0
San Felipe Unit	195,158	1,605,027	1,800,185
Total Tracy	2,607,329	3,294,536	5,901,865
FRESNO			
San Luis Canal-Fresno	5,949,085	157,092	6,106,177
Friant Dam	0	3,651	3,651
Friant-Kern Canal	4,481,074	969,658	5,450,732
Cross Valley Canal	499,056	15,379	514,435
Madera Canal	1,071,795	0	1,071,795
Delta-Mendota Pool	293,858	0	293,858
Buchanan Unit	189,581	0	189,581
Hidden Unit	189,581	0	189,581
Total Fresno	12,674,030	1,145,780	13,819,810
SHASTA			
Clear Creek Unit	0	25,652	25,652
Shasta Dam & Reservoir	0	52,364	52,364
Spring Creek Conduit	0	80,324	80,324
Cow Creek Unit	0	73,986	73,986
Toyon Pipeline	0	37,633	37,633
Sacramento River - Shasta	80,374	167,271	247,645
Total Shasta	80,374	437,230	517,604

**Central Valley Project Improvement Act
Projected Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 2005**

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
WILLOWS			
Corning Canal	0	0	0
Tehama-Colusa Canal	(1)	1,786	1,785
Black Butte Dam & Reservoir	157	1,960	2,117
Colusa Basin Drain	8,057	0	8,057
Feather River	79,425	0	79,425
Sacramento River - Willows	1,830,288	0	1,830,288
Total Willows	<u>1,917,926</u>	<u>3,746</u>	<u>1,921,672</u>
Restoration Payments			
Irrigation and M&I	<u>\$17,384,110</u>	<u>\$6,070,300</u>	<u>\$23,454,410</u>
Restoration Payment - Irrigation	\$17,384,110		
Restoration Payment - M&I	6,070,300		
Restoration Payment - Power	22,914,590		
Total	<u>\$46,369,000</u>		

**Central Valley Project Improvement Act
Projected Expenditures (Obligations) for Fiscal Year 2005**

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>	<u>SUBSECTION</u>	<u>AMOUNT (\$)</u>
Habitat Restoration, Improvement, & Acquisition		
Anadromous Fish Program	3406(b)(1)	\$6,000,000
Other CVP Impacts	3406(b)(1) Other	3,000,000
Dedicated Project Yield	3406(b)(2)	927,000
Water Acquisition	3406(b)(3)	9,536,000
Flow Fluctuation Study / Reservoir Storage	3406(b)(9)	50,000
Trinity River Restoration	3406(b)(23)	1,000,000
Refuge Water Supply/Conveyance	3406(d), & (5)	20,630,000
Ecosystem/Water Operations Study	3406(g)	7,052,000
Land Retirement	3408(h)	1,500,000
Other Fish and Wildlife Restoration Activities		
Clear Creek Restoration	3406(b)(12)	800,000
Spawning Gravel / Riparian Habitat	3406(b)(13)	500,000
CVP Project Assessment/Monitoring Program	3406(b)(16)	300,000
Anadromous Fish Screening Program	3406(b)(21)	3,400,000
Total Projected Expenditures (Obligations) Fiscal Year 2005		<u>\$54,695,000</u>